

Quarterly Budget Meeting April 14, 2009



Process Improvement Initiative

April 14, 2009

Quarterly Budget Review

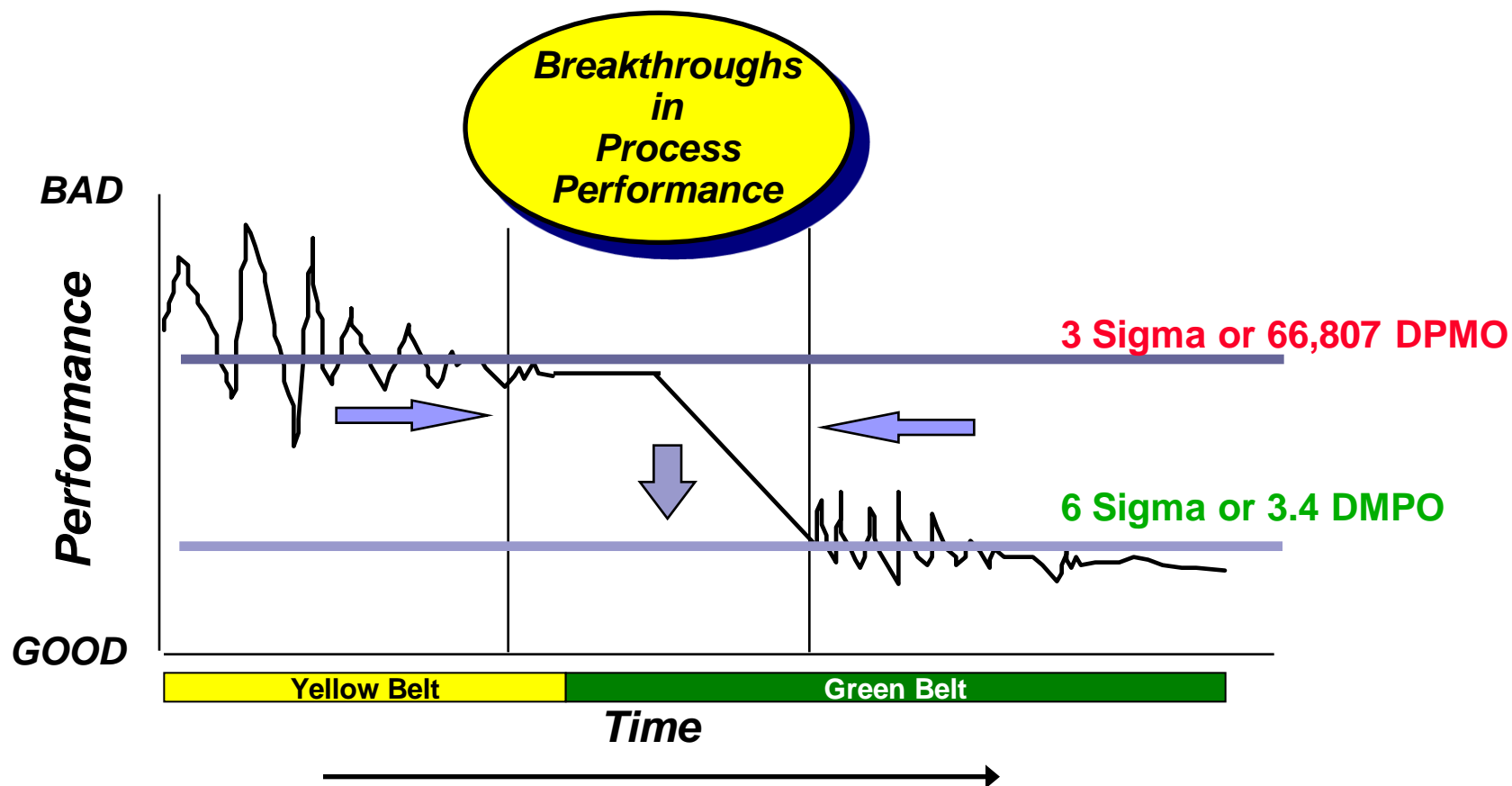
What is Six Sigma?

- Six Sigma is a methodology that focuses on delivering the highest performance to our customers while:
 - Removing variation in a process
 - Driving quality and performance measures in all aspects of operations
 - Building technical leaders and empowering associates to institute process improvement
 - Follows a proven phased approach (DMAIC) to sustainable continuous improvement

What is Lean?

- Lean is the review of processes and procedures identifying Non-Value Added activities (NVA). Lean provides tools to drive the elimination of waste within a process. Lean improvements can be implemented very rapidly and usually have a low cost to produce.

DMAIC Process Overview



Sigma Training Program

- Yellow Belt: Training designed to introduce Lean mythology, basic Sigma skills, and activities to gather ideas for improvement
 - **Mapping** – Breakdown each process to identify NVA and waste in process.
 - **Measuring** – Each process will have CTQ measurable activities.
 - **Analyzing** – Introduction to analyzing data to support the identification of processes out of control.

Define

- ✓ Develop Charter
- ✓ Create Team
- ✓ Identify Stakeholders
- ✓ Determine voice of customer
- ✓ SIPOC
- ✓ Lean Training
- ✓ Waste Identification
- ✓ Cause and Effect
- ✓ FMEA (Start)

- ✓ Communication plan
- ✓ Verify data (Understanding the data)
- ✓ Establish timeline
- ✓ Identify resources
- ✓ MSA (Gage R&R)
- ✓ CTQ Worksheet
- ✓ XY Matrix
- ✓ Charts

Measure

- Green Belt: Advanced Sigma tools to provide analytics leading to Root Cause identification
 - **Analyzing** – Develop association between the Y and key Xs
 - **Capability** – Evaluate the true opportunity of the process
 - **Change Management** – Strategies and process of implementing improvements

Analyze

- ✓ Action Plan
- ✓ Control Charts
- ✓ Hypothesis Testing
- ✓ FMEA (Complete)
- ✓ Change Control
- ✓ Process Capability

- ✓ Best solution selection
- ✓ Risk assessment
- ✓ Cost analysis (COPQ)

Improve

Control

Sigma Rollout Strategy

■ Project Selection

- Division Leaders have provided a list of projects and Green Belt candidates.
- The Sigma Board will evaluate each project and select the first wave of projects.

■ Training Program

- OFM will lead the Yellow Belt training. The Teams completing all deliverables will present their projects to the Sigma Board and receive their Yellow Belt certification. The Green Belt team leader will advance to the Green Belt training program.
- OFM and High Performance Government Team (HPGT) will conduct Green Belt training. The Green Belts will complete their Sigma training under the guidance of an assigned Black Belt. Upon completion of all deliverables the Green Belt will present their project to the Sigma board detailing the life of the project and showing statistical change in process. The now certified Green Belt will be assigned additional Sigma projects.

Summary

- Introducing Six Sigma to the City will provide an opportunity to identify savings and improve the customer experience.
- Offering Operation's associates an opportunity to train and receive certification will begin the culture shift.
- We will have empowered associates with the knowledge and confidence to improve their processes.
- Providing Sigma training will strengthen our front line leaders.
- Implementing Sigma training at the project level will provide a direct return on investment.
- Cross functioning team members will breakdown silos and promote communication across divisions.
- Taking advantage of High Performance Government Team resources will increase the number of projects we can engage. We are able to capitalize on private sector experts.

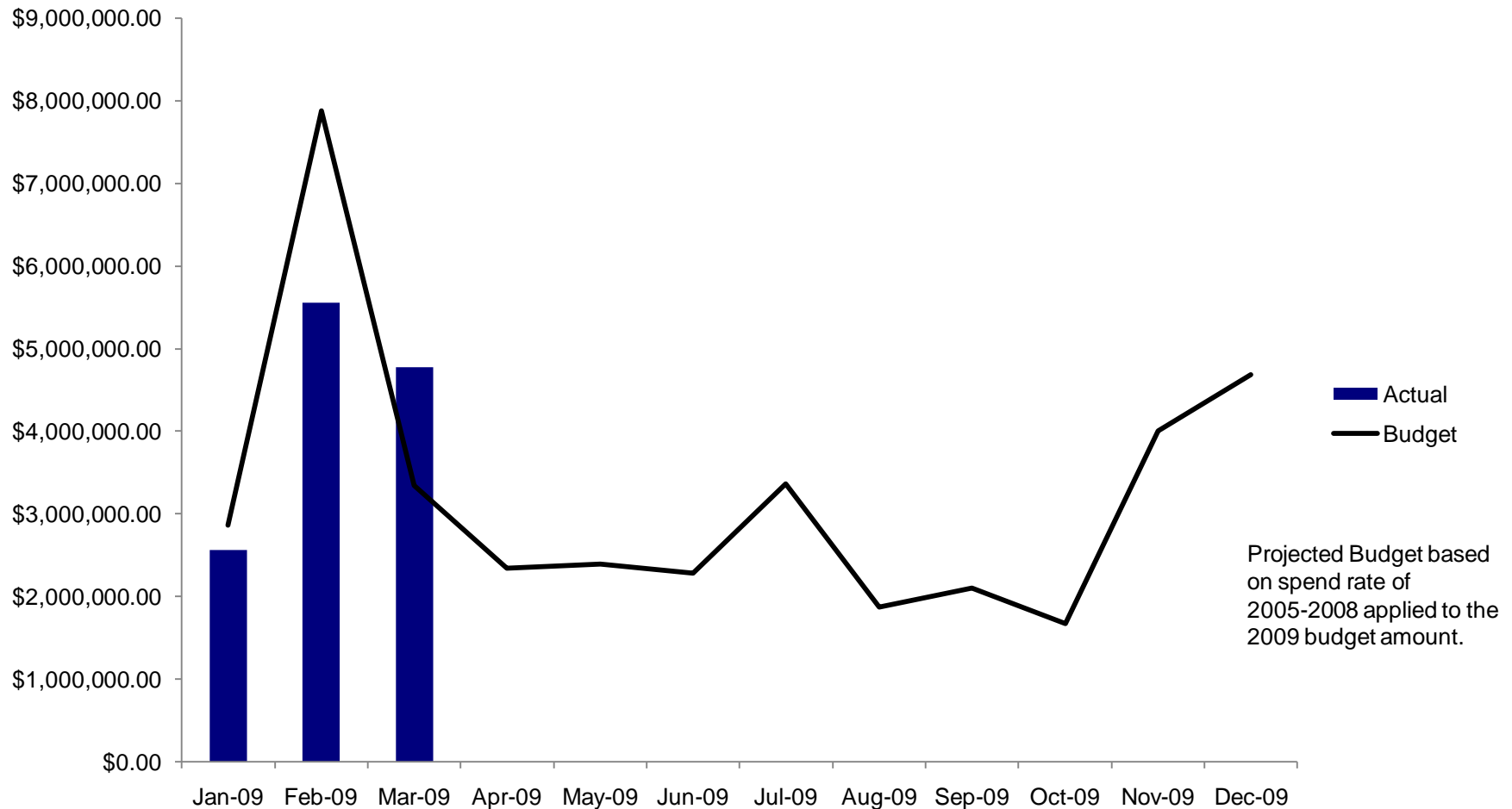


Department of Metropolitan Development

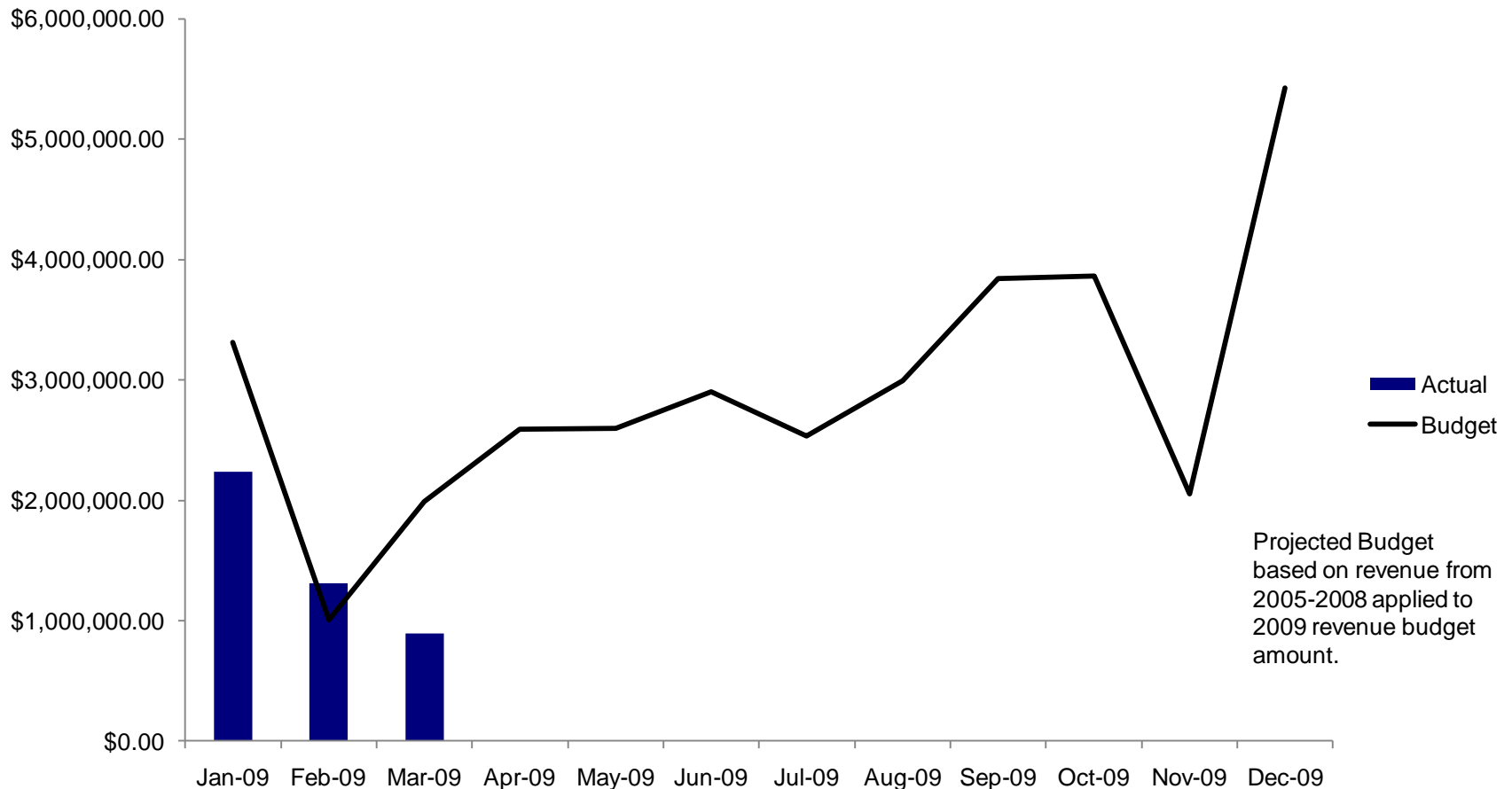
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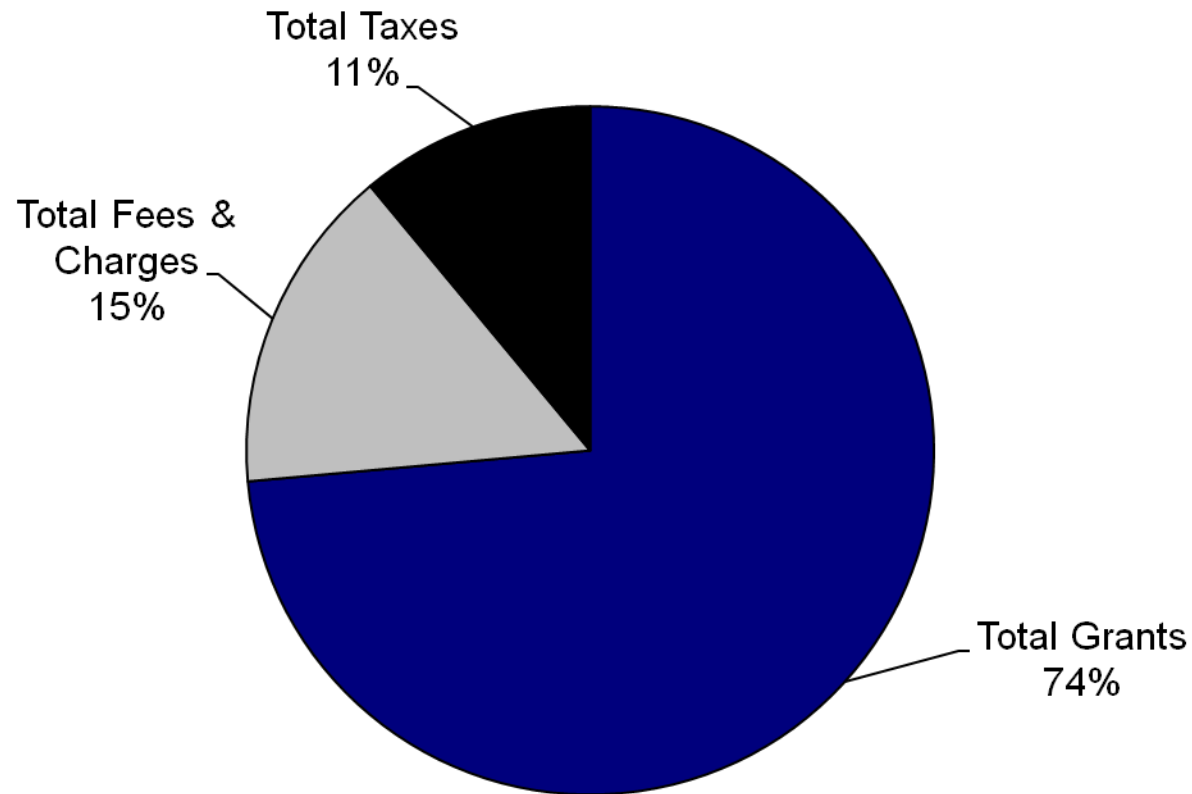
Budgeted to Actual Expenses



Budgeted to Actual Revenue



2009 DMD Budget By Funding



Divisions of DMD Budgets

■ Division of Administrative Services	\$ 653,510
■ Community Economic Development	\$ 31,690,524
■ Division of Planning	\$ 5,340,139
■ Mayor's Neighborhood Liaisons	\$ 857,796
■ Indianapolis Historic Preservation	\$ 486,055
■ Regional Transportation Authority	<u>\$ 294,069</u>
Total DMD Budget	\$ 39,322,093

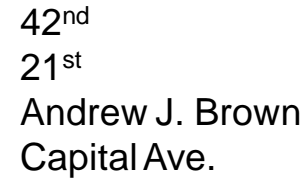
Additional Revenue Available for 2009 Budget

- DMD has been awarded the following additional revenue for the 2009 Budget:
- Community Block Grant Fund \$ 2,575,447
- Homeless Prevention Fund \$ 3,942,177
- Neighborhood Stabilization Program \$29,051,059

Neighborhood Stabilization Program (NSP)

- The City of Indianapolis was awarded \$29,051,059 to address problems associated with foreclosed or abandoned homes in order to stabilize neighborhoods.
- The City convened the Redevelopment Planning Council with approximately 50 Community stakeholders. This represented a broad cross section of non-profit organizations, businesses, philanthropic groups, neighborhood residents, developers, realtors, governmental agencies and elected officials.
- The total budget is as follows:

□ Acquisition/Land Bank	\$8,513,294
□ Acquisition/Rehabilitation	\$5,000,000
□ Acquisition/New Construction	\$ 750,000
□ Demolition	\$ 300,000
□ Rental/Lease to Buy	\$7,262,765
□ Financing Mechanisms	\$4,320,000
□ Administration	\$2,905,000



NORTH
SOUTH
EAST
WEST

I-70
Washington St.
Emerson Ave.
I-65

NORTH
SOUTH
EAST
WEST

Washington St.
Raymond St.
Keystone Ave.
Meridian St.

NORTH
SOUTH
EAST
WEST

30th
I-70
Harding St.
Holt Rd.

NORTH
SOUTH
EAST
WEST

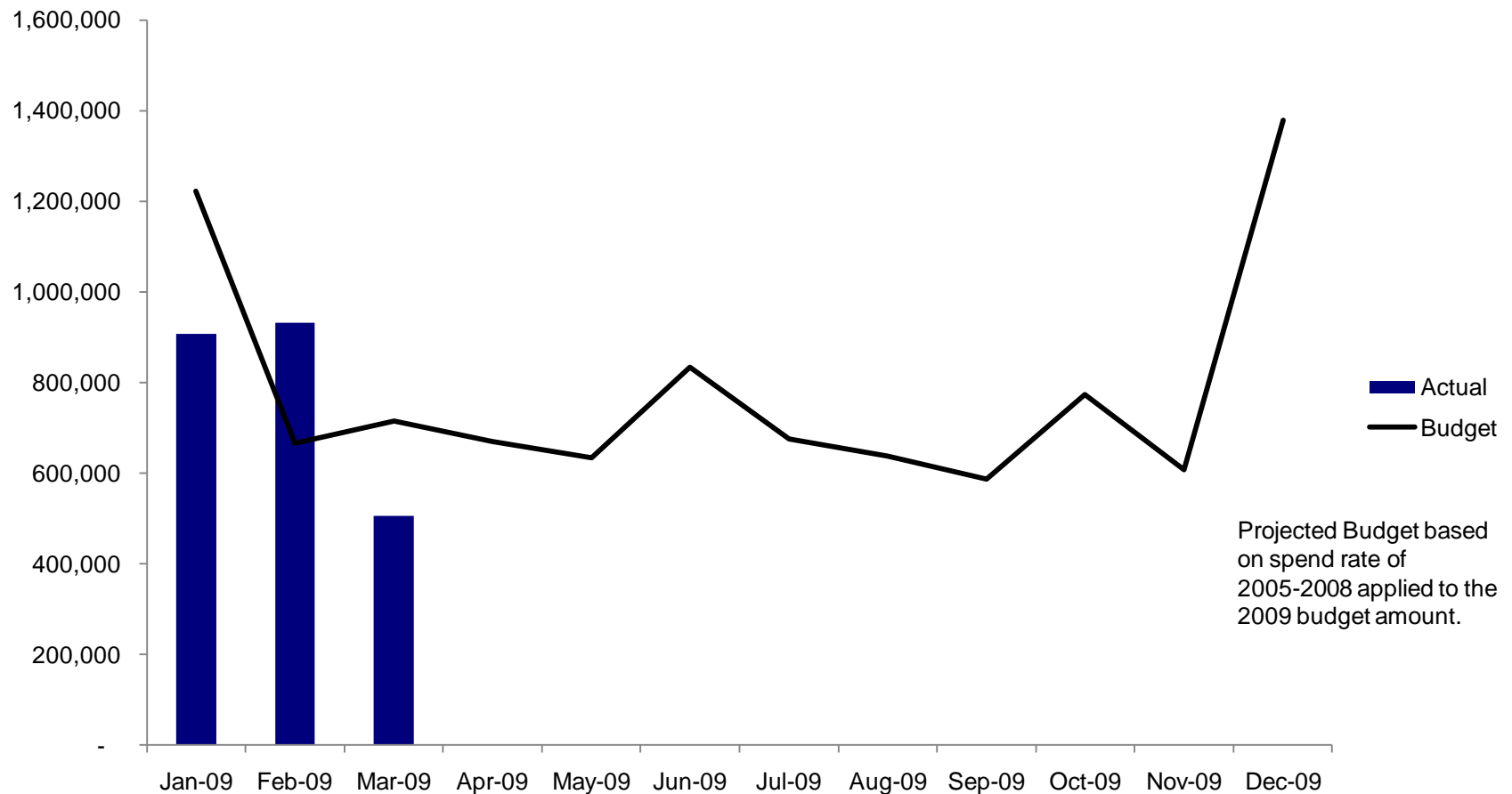
Budget Challenges for 2009 and Beyond

- Funding in increased activities with the abandoned housing and land bank
- Funding of property management costs for long term properties that DMD owns and maintains
- Ability to utilize fees and charges to reduce the department's reliance on property tax
- Historically we have seen a decline in federal grant funding from the Department of Housing and Urban Development

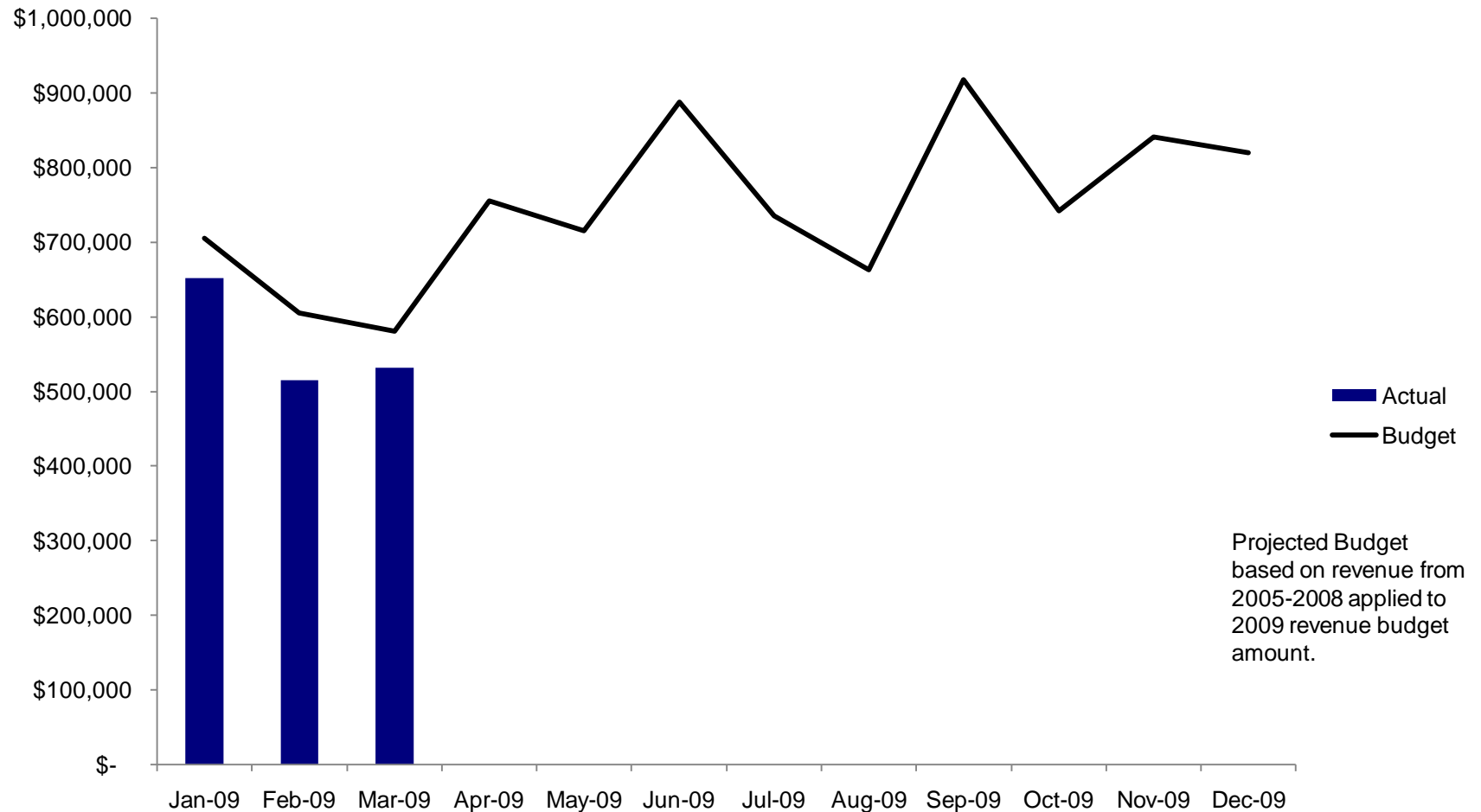


Office of Code Enforcement

Budgeted to Actual Expenses



Budgeted to Actual Revenue



The Office of Code Enforcement

Combining licensing, permitting and inspection and abatement functions into a single department.

Multiple Inspection Entities

ACC

DMD

Fire Marshall

DPW

OFM

Weights & Measures

Multiple Abatement Entities

DMD

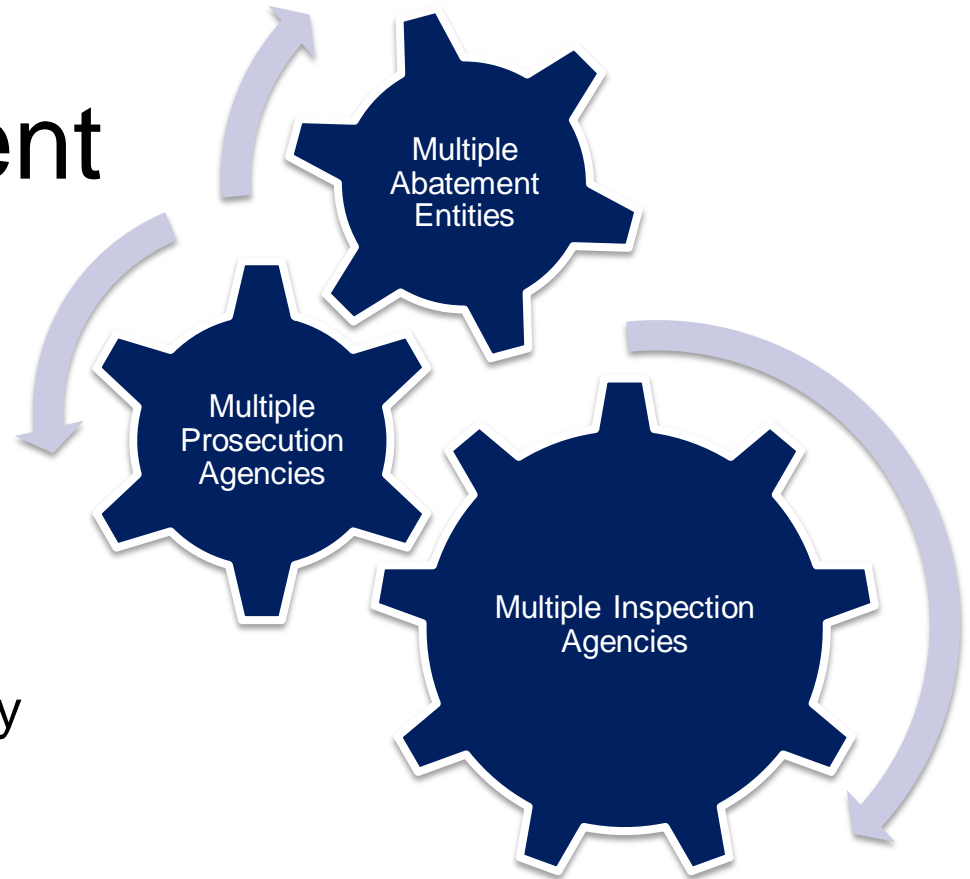
DPW

DPS



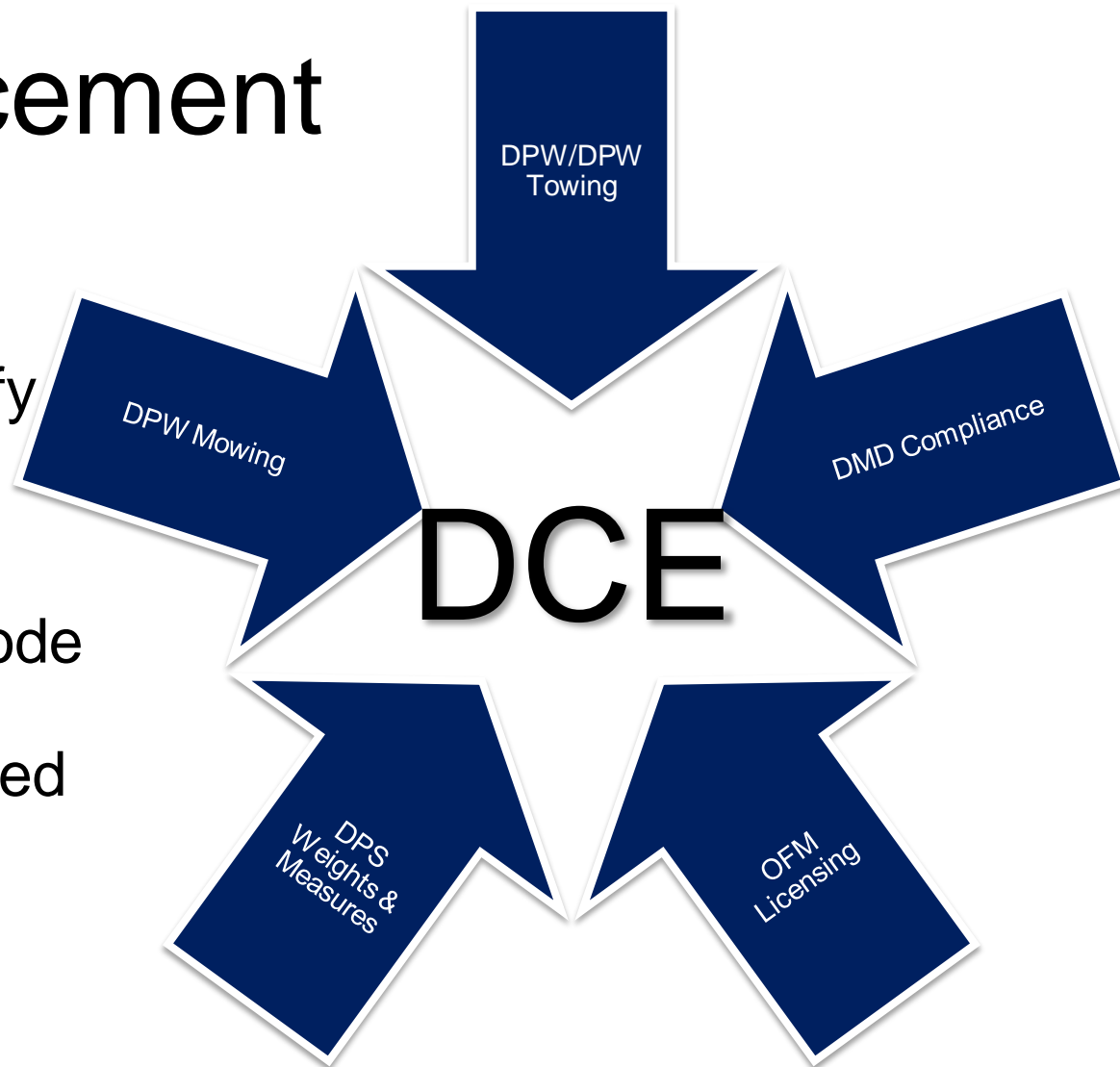
The Office of Code Enforcement

- Each Entity Has
 - Its own Mission
 - Its own Priorities
 - Its own Budget
 - Its own Systems
 - Its own Board focused primarily on the other critical services of the entity
- Importance Is Always Relative
- This Is Unnecessarily Complicated & Should Be Streamlined



The Office of Code Enforcement

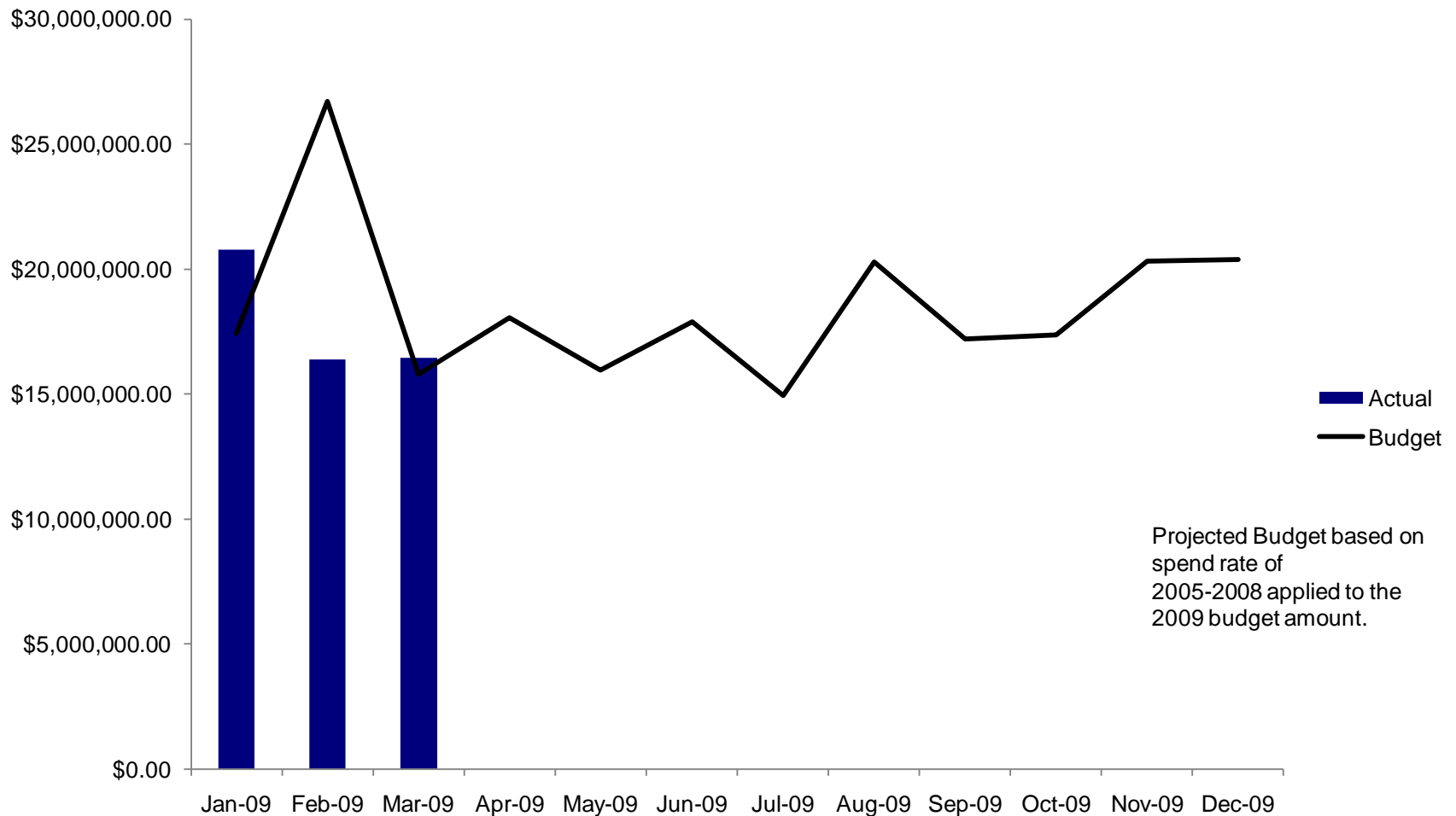
- Eliminate Handoffs between Agencies
- Departments Intensify Focus on Core Responsibilities
- Public Oversight Board to Oversee Code Enforcement
- Entirely Fee Supported
- Does Not “Grow” Government



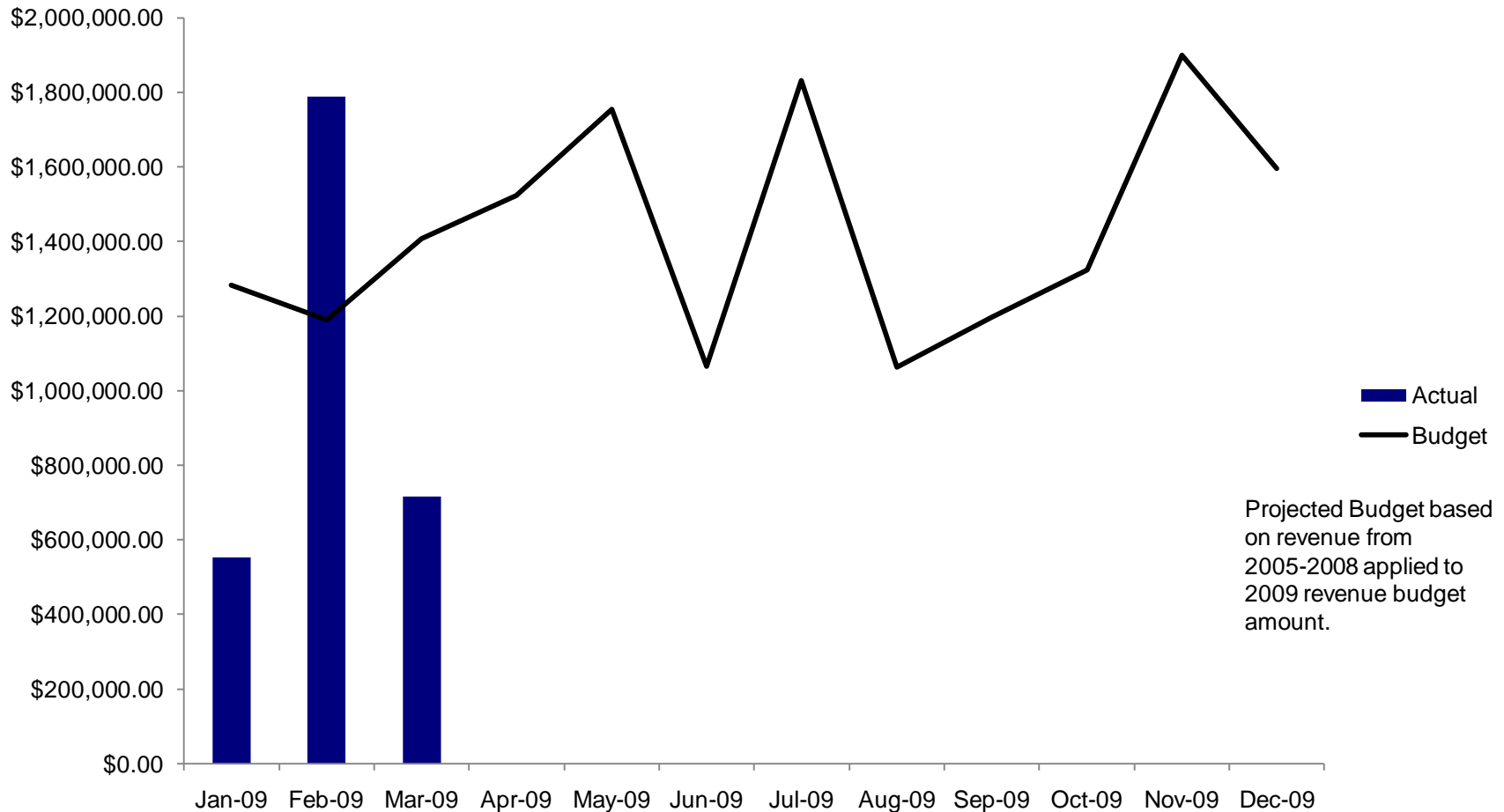


Indianapolis Metro Police Department

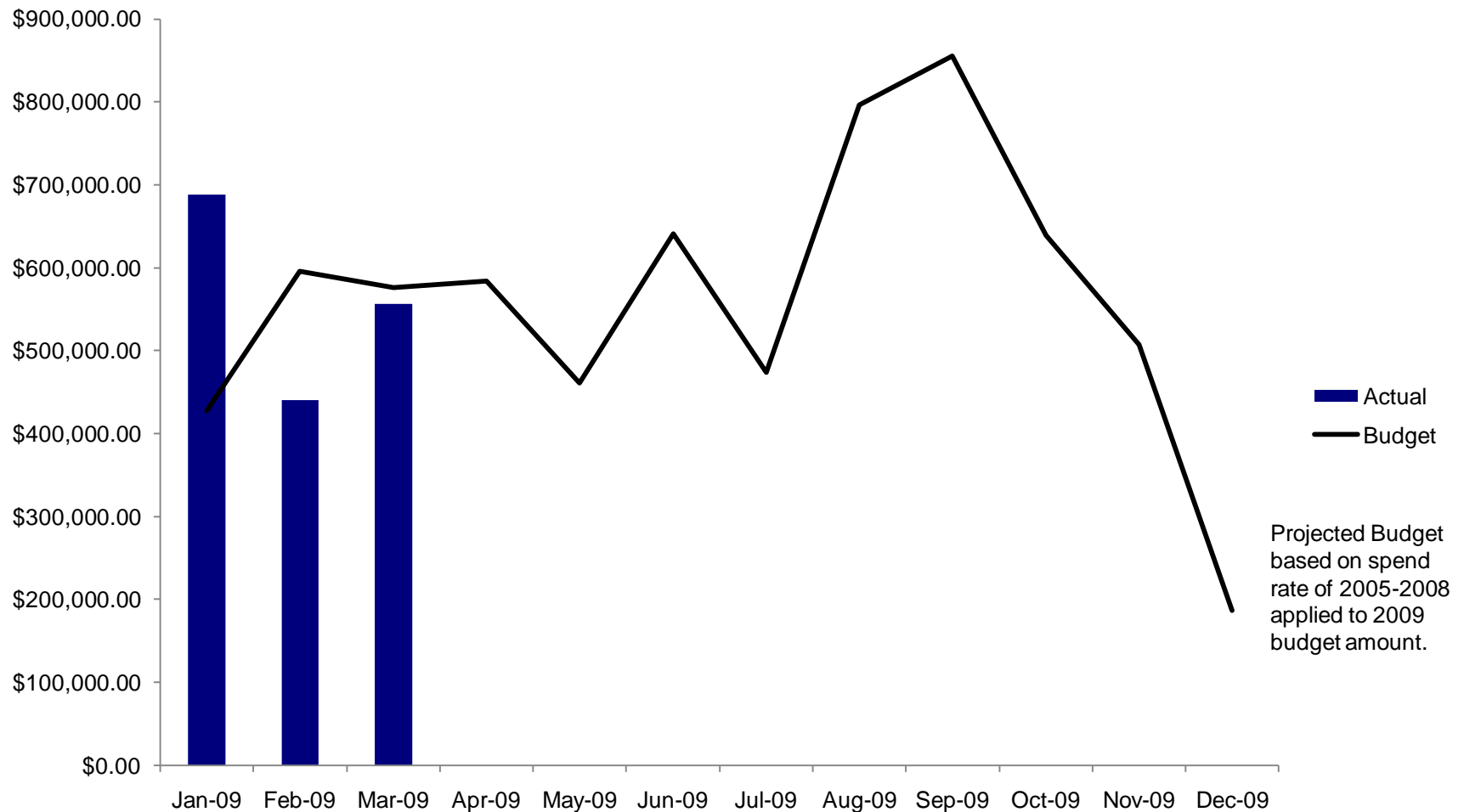
Budgeted to Actual Expenses



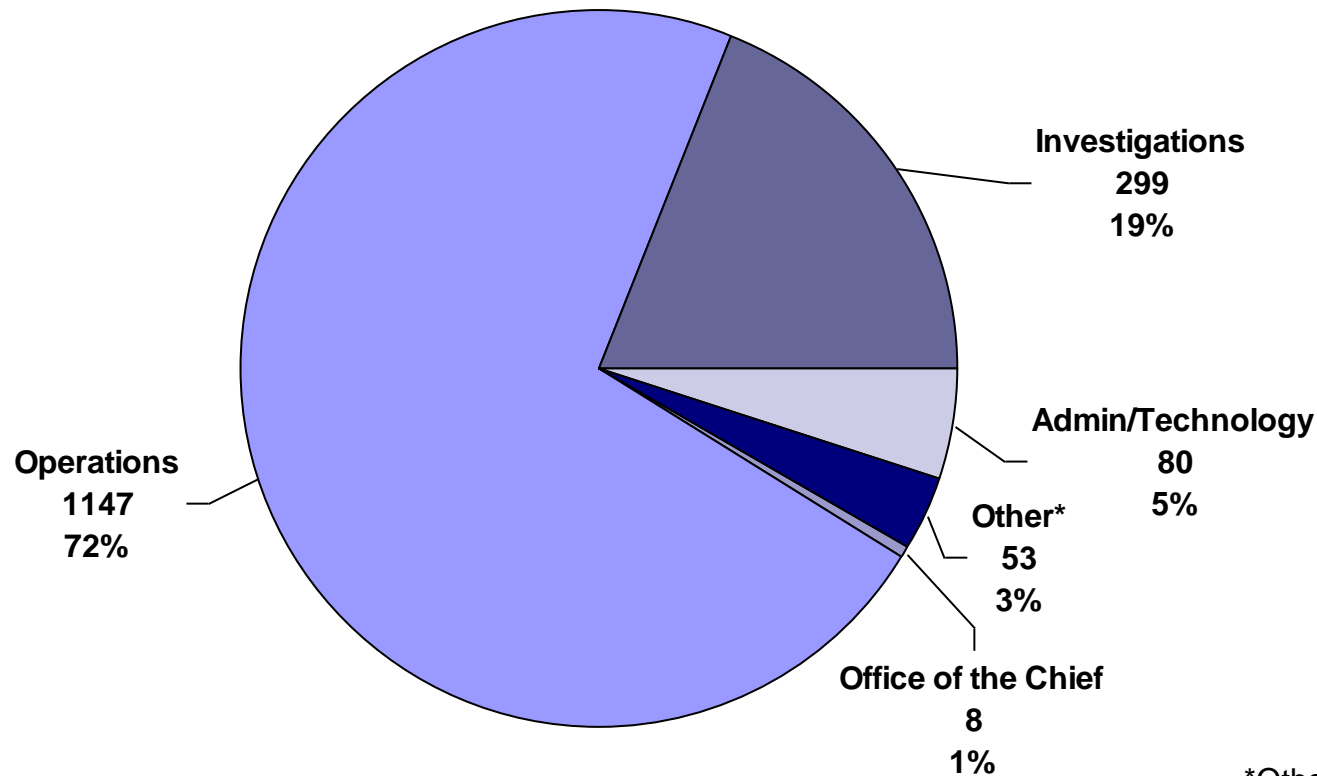
Budgeted to Actual Revenue



Overtime



IMPD Sworn Staffing by Division - 1587



*Other: Recruits,
Probationary Officers,
Temporary Assignments

Proposed Year-end Staffing Levels

■ Current funded sworn strength	1589
□ June recruit class	65
□ DROP Program and separations	(25)
■ Sworn strength year-end	1629
□ January 2010 recruit class*	65
*Subject to available funding	
■ Goal for mid-year 2010	1694

Budget Challenges

- Transforming to a community policing model while balancing the budget
- Rebuilding sworn strength
- Purchase of new vehicles to replace 400 vehicles that have over 130,000 miles
- Provisioning and training large recruit class
- Start up costs for Public Assistance Officers

Meeting the challenges

- Use of reserve forces and Public Assistance Officers to supplement sworn strength
- Civilianization and elimination of mid-level managers
- Consolidation of efforts with IFD where feasible
- Use of technology
 - Wireless
 - Pawnshop/Scrap metal software
 - License plate recognition
 - Cameras

Public Assistance Officers

- Allows sworn officers to spend more of their time doing “police work” by freeing them from performing civilian functions
- Re-direction of calls for service to PAO’s would functionally “add” many FTE sworn officers

Potential Solutions to Budget Challenges

- Federal stimulus dollars
- Underspending and cost savings in general fund appropriation, *i.e.*, reductions in fuel costs, managing overtime costs
- Possible COPS & JAG grants to fund recruit class and public assistance officers

Questions?